Sept. 22, 1969 main

FOREIGN AGRICULTURE

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South Vietnam Looks at Agriculture Reconstruction

U.S. Foods in the Bahamas

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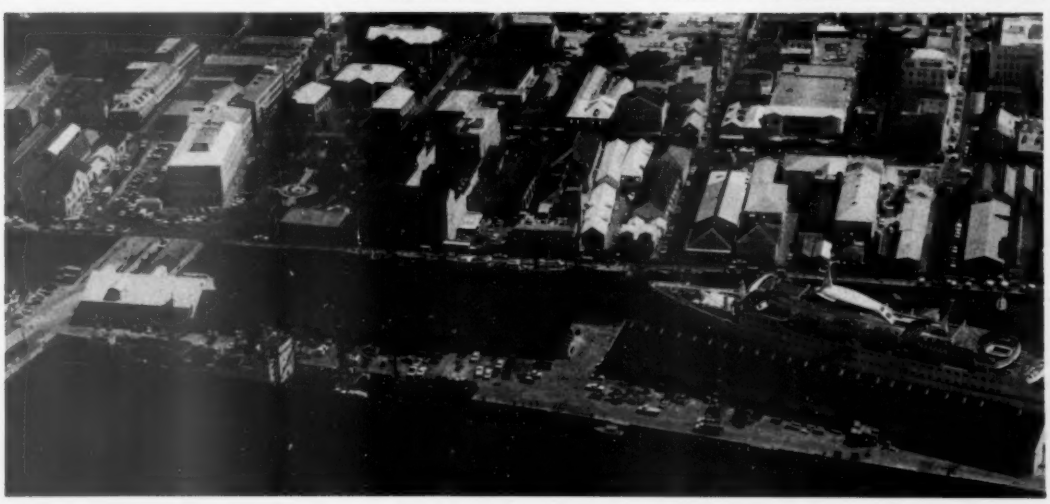

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Large cruise ship and freighter at Nassau's new pier. Influence of tourism on the Bahamas' imports of U.S. foods is discussed on page 10.

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South Vietnam Takes M

By DIANE B. ELLISON
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South Vietnam is taking steps to reverse the downtrend that has existed since 1963 in its agricultural production. These steps include land reform, a new emphasis on output of protein foods, and use of high-yielding rice varieties.

Legislation for land reform, known as the "Land to the Tiller" program, is now before the Vietnamese National Assembly. It provides for issuing land titles at the village level, with a limitation of 3 to 5 hectares (7.5 to 12.5 acres) per farm, depending on family size. Currently, more than two-thirds of the farms are of 2 or fewer hectares (5.5 or fewer acres), capable of little more than subsistence production. In addition, the 1960-61 agricultural census showed that less than 24 percent of the farms were entirely owner operated. Tenant farming and the accompanying rent requirements cause severe problems and inhibit incentive.

The stress on production of protein foods is beginning to show results. Increased poultry output—supported by imports of parent stock and day-old broiler chicks—has reduced prices of broilers in several areas. An accelerated swine production program was begun in 1969, and work on fisheries continued. The poultry and swine programs have caused increased interest in imports of corn and in production of sorghum, both to be used as feed.

Rice: the basic crop

Even with this new emphasis on protein foods, rice will remain the staple of the Vietnamese diet. Cultivation of this crop is the main occupation in South Vietnam. To boost production, increasing acreage is being planted to the high-yielding varieties developed at the International Rice Research Institute in the Philippines. Two crops of IR-8 and IR-5 rice were planted in 1968 on approximately 44,000 hectares (110,000 acres). A goal of 200,000 hectares (500,000 acres) has been set for 1969; this would account for 8 percent of the total area planted to rice. The yields for the new varieties commonly exceed 5 tons per hectare (2 tons per acre), more than double the national average of 2 tons per hectare (0.5 ton per acre) from traditional seed varieties. The rice production program, relying heavily on these new varieties, hopes to achieve a self-sufficient production level by the 1970-71 crop year.

Rice is grown primarily in the fertile Mekong Delta in the south and in the Coastal Plains and is shipped from there to deficit areas in the Central Plains and the Highlands. Paddy production in 1968 was 4.4 million tons, a decline from the 4.7 million produced in 1967. This decline resulted from drought in the Delta. Were it not for advances in the use of high-yielding varieties, the decline in rice production would have been even greater.

es Measures To Reconstruct Its Agriculture

Supporting inputs for rice production are also being stressed. Last year, 215,000 tons of fertilizer were distributed, 16 percent more than in 1967, and fertilizer use in 1969 is expected to be double the 1968 rate. Transfer of fertilizer distribution from government control to private hands was completed. Use of pesticides has likewise increased. Agricultural loans extended by the Agricultural Development Bank in 1968 totaled $20.7 million, double the 1967 figure; the latter was five times the 1966 level.

Saigon's retail price of rice rose sharply during the Tet offensive of February 1968 but fell immediately thereafter. The price remained low until November, when the government raised the price of imported P.L. 480 rice. The market then turned to locally grown rice, causing the price of paddy to go up. The current (June 1969) farm price of $169 per metric ton of paddy is a new high and is encouraging farmers to plant rice.

Other crops

Although rice is Vietnam's staple crop, rubber is the traditional source of foreign exchange earnings. Production of this crop declined from 50,000 tons in 1966 to 43,000 in 1967 and just over 30,000 in 1968, about 1 percent of the total volume traded internationally. Four reasons for this decline in output of rubber are evident: War-related damage to trees; shortage of labor resulting in insufficient care being given to trees; lack of incentive caused by increasing production costs at a time when world rubber prices have been at their lowest; and continued use of low-yielding stock, coupled with the absence of a replanting program. About

Clockwise from top left: American veterinarian checks improved pig breed in An Giang; experimental rice field near Long Xuyen; cultivating vegetables in Ninh Thuan; experimental field of IR-8 rice.

75 percent of the rubber plantations are French owned; the remainder are small Vietnamese holdings.

Production of cassava, sweetpotatoes, and sugarcane increased slightly during the 1968-69 crop year, but is well below levels attained earlier in this decade. Output of most other crops—including pulses, tobacco, soybeans, peanuts, tea, and copra—declined or remained stationary; corn production dropped for the fourth successive year.

Vegetables have become a valuable cash crop for the farmer. Since 1963, production has increased over 50 percent. Military personnel consume only 25 percent of the harvest.

Overall, preliminary figures for 1968 indicate that the aggregate value of crop production was $221 million, based on 1957-59 prices. This represents a decline of 7 percent from the 1967 value and 26 percent from the peak level of 1963. Because of war-related problems, South Vietnam has been largely dependent on foreign aid and imports; U.S. aid has been reduced somewhat in the last couple of years.

The trade picture

South Vietnam's imports of rice declined last year for the first time since rice exports were banned in 1964. (In 1960 a record 340,000 tons of rice were exported.) Imports in 1968 totaled about 680,000 tons, compared with 750,000 in 1967. The United States supplied approximately 630,000 tons of last year's total. Because of improved transportation and the anticipated increase in production of both local and improved varieties, imports this year are expected to drop to about 350,000 tons.

Exports of rubber—traditionally the country's leading export—declined last year along with production. However, rubber exports still accounted for 80 percent of the value of all exports. Shipments dropped from 37,000 tons in 1967 to 26,000 in 1968. Since replanting is not taking place, rubber exports are expected to decline still further.

Other exports include small quantities of tea, duck feathers, fish, and cinnamon. France is the leading customer, followed by Japan, West Germany, and the United Kingdom.

U.S. agricultural exports to South Vietnam decreased slightly to $152 million in 1968 from $159 million the previous year. P.L. 480 commodity sales for local currency accounted for $123 million last year, a decrease of $24 million from the previous year's level. Commodities exported to South Vietnam under this program have included rice, wheat flour, corn, tobacco, and milk products. Imports of U.S. consumer goods were cut back in 1968 because unsafe conditions after the Tet offensive led importers to limit their risks by confining their dealings to essential goods such as food products and raw materials.

Under the Commercial Import Program (CIP), the United States provides South Vietnam with funds for imports of capital goods, fuel, raw materials, and consumer goods for sale in commercial channels. Importers pay for these goods in piasters, which are then deposited into the Counterpart Account and used to finance U.S. Government programs. Import arrivals under this program dropped to $78 million during the first 10 months of 1968 from $185 million during the same period in 1967.

West Germany Seeks Grain Storage in Other Countries

West Germany is bulging with grain, its problem both a reflection and an outgrowth of the EC's grain troubles.

With two large crops in a row and a heavy inflow of French wheat—and to a lesser extent, barley—Germany is finding it necessary to look beyond its borders for storage space. Grain is being placed in storage as far away as Sicily. Recently, storage agreements were made with organizations in Switzerland and Belgium. Now, German officials are seeking to store up to 80,000 metric tons in Denmark.

The Danish Government at first refused the German inquiry on the ground that all grain silos were filled. Denmark's own grain stocks at the beginning of the 1969-70 crop year were calculated at about 100,000 metric tons above their level at the same time a year earlier. A proposal to stock the German grain on large Danish farms would be impossible to carry out because of Denmark's current import embargo and because regulations require that stocks in transit be closed and sealed by customs authorities.

However, the Danish Ministry of Agriculture has informed the grain trade that it has no authority to prevent storage in the Free Port or other ports on the basis of the so-called custom-seal permits. Such storage would not require government dispensation from the import embargo on grain. It is estimated that between 50,000 and 80,000 metric tons of German grain could thus be placed in storage in Danish ports.

German grain stocks at the end of the 1968-69 crop year (June 30) were at an alltime high. On top of this, German farmers just harvested an estimated 18.7 million metric tons (unofficial) of grain, only slightly under last year's record 19.1 million tons. The new wheat crop is expected to total about 6 million tons, some 3 percent below the 1968-69 level as a result of unfavorable sowing conditions in the fall, a late spring, and a larger proportion of lower yielding spring wheat. Combined rye and winter-mixed-grain production is put at 2.95 million tons, down about 12 percent. Output of feedgrains is estimated at 9.75 million tons, up from 8.5 million tons in 1968-69. This includes over 5 million tons of barley, 3 million of oats, and 400,000 of corn.

Imports of wheat and wheat products in 1968-69 rose 28 percent to an estimated 2.5 million tons. This increase—despite the record domestic crop—resulted primarily from a large rise in the volume of French wheat moving into Germany. (French figures show exports to Germany of 1.2 million tons in 1968-69 against only 284,000 tons the previous year. France just harvested another big wheat crop, a near-record of almost 14.7 million tons, just 1 percent below last year's alltime high.) Germany's imports of feedgrains, on the other hand, dropped about 12 percent.

In the coming year, Germany's grain stocks may be reduced somewhat as a result of increased feeding and, more importantly, monetary and other European Community measures to curtail imports of French wheat. Total grain imports are projected at about 6 million tons, compared with almost 7.2 million in 1968-69. Wheat imports are expected to fall to 1.8 million tons, and feedgrain imports are put at 3.95 million tons, against 4.39 million in 1968-69. The United States should be able to maintain its present level of quality wheat and durum sales, but German imports of U.S. feedgrains are expected to decline as a result of increased use of wheat for feed and greater availability of EC feedgrains.

U.S. role in—

The World's Feed-Livestock Economy

By CLARENCE D. PALMBY
Assistant Secretary of Agriculture

The strengthening of American agriculture—through market development here and abroad—is a goal that engages a large measure of my time and energy. It is one that marketers of grain and soybeans share. I am deeply concerned about the need to strengthen our exports of corn and other feedgrains—to resume market growth in these commodities. Prospects are not too bright—for a number of reasons, none of them easy to resolve.

The current level of world exports of feedgrains, including products, is perhaps slightly below the level of the past 5 years. Utilization is increasing in the traditional importing areas—especially in Europe and Japan—as livestock and poultry industries expand. But in Europe grain production for feeding purposes has also increased—even faster than use—and the result has been a decline in import requirements in recent years. At the same time, there has been an increase in imports of nongrain feed ingredients.

The U.S. share of world feedgrain trade in 1968-69 declined to about 41 percent—18.2 million short tons of a total 44 million tons—compared with the half of the market that the United States has held in recent years. This decline came in the face of stiffening competition from other countries.

While it is too early to make reliable estimates of U.S. feedgrain exports in the coming marketing year, there are signs of some improvement; even so, it will be extremely difficult for the United States to supply half of the total.

World wheat oversupply

The export picture for feedgrains would be brighter were it not for the tremendous oversupply of wheat in the world. The problem with wheat is so great that it overflows into the markets for other grains and feedstuffs throughout the world.

Carryover stocks of wheat in the five principal exporting nations will total about 2 billion bushels at the end of the 1968-69 marketing year—an increase of some 620 million bushels from last season. This is the third straight year that world stocks have increased. Most exporting countries and some traditionally importing countries have contributed to the increase.

The oversupply of wheat in the world is creating plenty of problems in the international wheat trade. There has been price cutting by all exporters. We have had to make adjustments in our own pricing under the International Grains Arrangement.

The U.S. carryover on July 1 was 811 million bushels—up from the 539 million bushels of a year earlier. The Canadian carryover is estimated at 830 million bushels—a record high and more than 400 million bushels over the level of 3 years ago.

The French carryover is estimated to be up only slightly from a year ago. However, France has shipped most of its surplus wheat to West Germany and other countries in the European Community, which will show an increase in carryover of at least 40 million bushels.

The Argentine carryover will be down from the level of a year ago. But the Australian carryover—at 250 million bushels—will be three times the previous high of 2 years ago and five times what it was last year.

Not only is there a great deal of wheat in the world, but there is also a disruption of traditional wheat and feedgrain markets by nations eager to move wheat at cutrate prices. We have seen sales of French wheat to Taiwan at prices at or below the levels at which we could deliver feedgrains at free market prices prevailing in the United States. We have seen sales of Soviet wheat attractively priced to the United Kingdom—sales that were disruptive of normal trade patterns.

Wheat as a feedgrain

For several years, feed use of wheat overseas has been rising. In Europe, where locally produced wheat consists predominantly of low-milling quality, the volume has varied considerably according to the quality of each season's crop. But generally about one-fourth of the wheat crop has been fed to livestock, and this has supplied about one-tenth of all grain fed.

Recently, we have seen the emergence of sizable soft wheat surpluses, and an increasing use of subsidies and price manipulations to force this surplus wheat into feed use. The Economic Community, Spain, and the United Kingdom have all shown appreciable increases in feed use of wheat.

This past year, Europe fed a record volume of wheat, probably 14 million or 15 million tons. The United Kingdom and the European Community together are believed to have shown a 2-million-ton increase last year, and there may be a further increase this year. The Economic Community, using import levy revenues, is doling out around 50 cents a bushel to subsidize greater feed use of wheat. This has, of course, cut sharply into traditional EC feedgrain imports.

While elsewhere feed use of wheat is not great, an increase is certainly possible. Recent declines in world wheat prices have caused feed manufacturers in some countries to ask whether it is not cheaper to import wheat rather than corn or sorghum for feed. This is already being tried in Taiwan.

Expanding economies, an encouraging sign

These are some of the realities that we are up against in promoting the export of U.S. feedgrains. But all is not bleak, of course. As we look to the future there is every reason to expect a general growth in agricultural trade—provided the world can get its trade policies on some rational basis. Like other world problems, this one will not be easy to solve. Nevertheless it is difficult not to find encouragement in the general economic growth taking place around the world.

Most West European countries are experiencing substantial growth. Japan had a real per capita growth in 1967-68 of 12½ percent. The lesser developed countries are expanding their economies at an average rate of about 3 percent.

This article has been excerpted from a paper presented by Mr. Palmby to the Illinois Grain Corporation, Springfield, Illinois, September 3, 1969.

Of particular interest is the growth taking place in Japan, Korea, and Taiwan. We believe that each year in the foreseeable future the use of grain for feed in those three countries combined will go up by 1 million tons. This will continue to be an opportunity for U.S. grain and soybean producers as those countries expand their livestock and poultry industries.

The extent to which we actually share in that market growth may be complicated by grain production and use patterns in Europe, and in other countries where prices are highly protected. The pattern under the EC's Common Agricultural Policy has been to support internal prices at levels considerably above world prices—thus discouraging utilization and encouraging high-cost production—then to export under a high subsidy at prices that undercut the world market.

This kind of pricing is unrelated to prices in other trading countries and is highly disruptive to the world market.

U.S. measures and countermeasures

Wheat price adjustments. Stability in world wheat markets would be to the advantage of all U.S. grain producers—feedgrain as well as wheat. By this summer we had come to the point where hardly any wheat in the world was moving at agreed-upon price levels, and this was damaging to our markets for all classes of grain.

Consequently, we have made selective adjustments in export prices of certain U.S. wheats to restore them to reasonably competitive levels in the world markets. Announcement of this was made just the last of August. This was a very restrained action, taken in an effort to bring stability to world wheat markets.

Our effort to stabilize world grain markets does not change the fact that there is a large volume of wheat in the world in excess of demand. It does not change the protectoinist tendencies being fostered by the European Community. But it does reflect a consistent, patient, reasoned effort on the part of your government to liberalize and rationalize the world trade in farm commodities.

Competitive pricing. It is also important that our own commodity programs be operated in terms of the real world—and in such a way as to permit our products to compete. All of our efforts to develop markets and to maintain access to those markets will be wasted unless our commodities are competitive in quality, availability, and price.

A case in point is the change in the soybean price support policy. The present policy is one of producing for use—rather than a nonuse policy that simply stores problems for the future. While only 87 percent of the 1968 crop of soybeans have been utilized during the 12-month period just ended, we expect over 97 percent of the 1969 crop to be utilized during the marketing year now beginning. If we assume no change in price support next year, over 100 percent of the 1970 crop would disappear in the subsequent 12-month period.

The soybean experience illustrates how, through unwise price fixing, future income may be placed in producers' hands long before the product is used—thereby mortgaging what should be tomorrow's income.

Having made our decison to be competitive in 1969-70, we are already seeing our major export markets responding with some improvement.

In Europe, our 1969 crop soybeans and soybean meal are now being sold at prices that are competitive with other proteins and oilseeds. Even our soybean oil, which moves to Europe "packaged" in the form of beans, appears to be meeting improved demand, although we are not optimistic about our commercial soybean oil exports in general.

In Japan, essentially a market only for soybeans, our reduced 1969 support price will further stimulate utilization.

Ask end to Japan's soybean import levy. Secretary Hardin has formally requested that the Japanese remove their import levy of 33 cents a bushel on soybeans. During the Kennedy Round negotiations under the General Agreement on Tariffs and Trade, the Japanese obligated themselves to remove one-half of this levy by the end of 1971. At the recent ministerial-level meeting with Japan, the Secretary asked that this action be speeded up and that the entire levy be removed—not just 50 percent of it.

We feel that this request is eminently reasonable because of the wide gap that now exists in the trade balance between the two countries. Japan is selling to the United States about $100 million in goods per month more than we are selling to Japan. This is a discrepancy amounting to well over a billion dollars on an annual basis, and we would like to fill as much of that gap as possible with U.S. farm products.

By removing the 33-cent import levy Japan would effectively reduce the price of U.S. soybeans to Japanese users. Japan is, of course, our biggest market for soybeans, and we would like very much to see the maximum advantage of our lower price support passed on to the user in Japan. This will tend to discourage the present development for feeding of amino acids produced synthetically from petroleum products. Price is definitely a factor in this development.

Export opportunities in upgraded diets

Although Japan is a country where the livestock and poultry industries have expanded, its per capita meat and poultry consumption remains below 25 pounds a year. That is near the average for East Asia but far below the consumption in Western Europe and the United States. The U.S. average was 228 pounds of meat and poultry last year.

In the long-term future, exports of feedgrains—and to a considerable extent soybeans—will be determined by the rate at which we can be instrumental in expanding livestock and poultry production in other countries. If we are reasonably optimistic about the improvement of living standards in the world, this has to represent opportunity.

For example, if Japan's per capita meat consumption were raised just to the 31 pounds now prevailing in Taiwan this would require an additional 4.7 million tons of feedgrains. To raise Indonesia to the Taiwan level would require 3.3 million tons of additional feed.

It may seem excessively hopeful to talk about increasing meat consumption in India. But to raise India just to the Indonesian level of 12.5 pounds of meat per person would require 3.9 million tons of additional feedgrains. The Indians now consume only 3 pounds of meat per capita.

Even more striking are meat-consumption differences among the more developed countries.

To raise Italy to the present average of 128 pounds in the European Community would require an additional 7.3 million tons of feed. And to increase meat consumption in Spain just to Italy's present level of 68 pounds would require 2.1 million tons of grain.

So it is apparent that a world of rising economies and rising expectations offers at least the long-run potential for a large expansion in the use of feedgrains and meals. New varieties and modern technology have shown the way toward increased wheat and rice production in the world. More attention must now be paid to developing the capital and providing the technical know-how to aid the development of modern efficient livestock and poultry economies.

Long-term export incentives

If we are to share fully in such an expanding market for grains and other feeding components in the world, we must continue to work hard at maintaining our lead in production and marketing efficiency. We have the finest agricultural plant in the world and we must be sure that we follow policies allowing the maximum application of improved technology.

I have great faith in the world's continuing recognition of the advantages inherent in passing on—to a forever increasing number of people—access to goods produced for the least cost.

Those of us who are vitally concerned with export markets have emphasized price to the point where many farmers may find it disheartening. Certainly I sympathize with this concern—particularly at a time when grain prices are under great pressure.

But if we expect to be in the export market—and we must be—then we have to be interested in long-time policies that do not unduly encourage production for export in other countries—either exporting countries or potential exporters. Such countries include South Africa, which is in and out of the world corn market as conditions warrant, and Australia, where unrealistic prices on our part may encourage undue application of capital in some areas. Australia might conceivably become a serious threat to our market for feedgrains in Japan.

In summary

On the minus side. There is a great amount of wheat in the world—an increasing amount of it going into feed. There is a disappointing growth in protectionism—particularly in the European Community. Domestic policies in some countries favor uneconomic growth in grain production. And U.S. feedgrain exports in the past marketing year were down about a fourth from 1967-68.

On the plus side. Yet there is the prospect of long-term growth in world feed requirements. The United States—with its magnificent capacity to produce feedgrains and other feedstuffs efficiently—should expect to share in this growth.

In order to do so we must promote sales aggressively. We must use wisdom in developing and administering our own domestic farm programs. And we must work untiringly for increased liberalization of trade policies in the world.

Argentina Gets Loan To Help Increase Farm Output

The Inter-American Development Bank announced late last month the approval of three loans equivalent to $37.6 million to help expand agricultural production in Argentina through intensified technical improvements.

The borrower, the Banco de la Nación Argentina (BNA), a public development bank, will use the loans to carry out a program designed to raise the productivity and output of the agricultural and livestock sectors of northeastern Argentina. The loans will finance a program—which will cost a total of $81.5 million—to provide supervised credit to small- and medium-scale farmers, to expand farm research and extension services, and to provide credits to help mechanize farm operations. The loans will finance 46 percent of the total cost of the program and local sources will provide the remaining 54 percent.

Three subprograms

Supervised agricultural credit. Extension of credits to small- and medium-scale farmers and ranchers will be for projects aimed at increasing beef output and diversifying crops. The projects are expected to benefit about 3,200 cattle farms and 1,050 crop farms primarily in the northeast region of Argentina.

This region embraces the Provinces of Misiones, Corrientes, Chaco, Formosa, and a portion of Santa Fe. Also to be helped under the subprogram are the Provinces of Entre Rios and La Pampa.

The $20.7-million loan for this subprogram was extended for 20 years.

Research and extension. Under this subprogram the operations of the Instituto Nacional de Tecnología Agropecuaria (INTA)—Argentina's farm research and extension agency—will be strengthened through construction of buildings, supplementary installations, and laboratories and through purchase of equipment and training of personnel. These efforts will be carried out partly in conjunction with the supervised agricultural credit subprogram and will involve investments in 12 main experiment stations and 30 agricultural extension agencies.

The $8.9-million loan for this subprogram was extended for 20 years.

Agricultural mechanization credit. Credits will be extended for imported or domestic farm tractors and such other farm machinery and equipment as plows, harvesters, sprayers, and spreaders. This subprogram represents a continuation of a program financed with two previous Bank loans totaling nearly $40 million that provided credit to 81,000 farmers.

The $8-million loan for this subprogram was extended for 15 years.

In the past two decades the growth of Argentina's agricultural and livestock sector, which accounts for more than 90 percent of the country's exports and about one-sixth of its gross domestic product, has been sluggish. The slow growth has posed a serious obstacle to the country's import capacity and the growth possibilities of its economy.

By promoting technological change in this sector, the program being partially financed by the Bank loan is expected to speed the growth of farming and ranching exports and to exert a favorable effect on the nation's balance of payments position.

Northeast to profit

The northeast Provinces, which will benefit particularly from the program, make up Argentina's least developed region. The economies of the Provinces in this section now have a lagging cattle production and rely heavily on single crops—such as cotton in Chaco and Formosa, tobacco in Corrientes, and yerba mate in Misiones. Per capita income in the Northeast is 50 percent below the national level, and the region has the lowest literacy rate in the country.

The program is expected to bring about an increase of approximately 80 percent in beef output per acre in the Northeast and lead to a considerable expansion in the cultivation of vegetables and of citrus fruits.

Capsule Review of Belgium and Its Ag

A land of small farms, Belgium is a major importer and a minor exporter of agricultural products. Usually it does not produce enough cereals and fruit to meet its needs but is self-sufficient in or a surplus producer of meat, chicken, dairy products, sugar, and potatoes and other vegetables.

Land in farms. Of the country's total land area, over half—51 percent—is agricultural. Of the agricultural land, 46 percent is in crops other than horticultural crops, 5 percent in horticultural crops, 49 percent in hay and pastures.

Today there are some 195,000 farms on about 3.9 million acres; since the prewar years the total agricultural area has declined 14.3 percent.

Farm labor. Belgium's agricultural labor force continues to decline, now accounts for 5.5 percent of the total labor force. Although there are 195,000 farms, the number of fulltime farmers is estimated at about 125,000; the remainder of farms are worked on a part-time basis or by hired help. About one-third of the farmers own their land.

Size of farms. In 1969 the average farm size is 19.7 acres, compared with 15.2 acres in 1959. Farms smaller than 24.7 acres make up three-fourths of the total number but account for only about 29 percent of total land in farms. The number of farms between 37 acres and 124 acres has increased substantially.

Despite the relatively low percentage of the population engaged in agriculture, small farms and fragmentation of holdings constitute a serious problem. A study made in 1959 showed there were about five separate plots per farm on the average. A major factor inhibiting the restructuring of Belgian farms is the high price of land. Although precise information is not readily available (since there are very few farm sales), it is reported that agricultural land sells for over $1,000 per acre.

Farm income. Excluding farms of less than 1 hectare (2.47 acres), the average net return per farm in 1967 was about $4,100. Counting 1.8 units of labor per farm, the net per unit of labor was about $2,280.

In 1967 the gross value of agricultural production was slightly over $1.5 billion. The net returns were $603 million. Of the total agricultural sales, 67.1 percent were derived from livestock and livestock products, 20.5 percent from horticultural products, and 12.4 percent from other crops. Some 23 percent of total sales were derived from dairy products, 17 percent came from pork, and 16 percent from beef.

Crops. Acreage and production of principal Belgian crops in 1968 are shown in a table on the opposite page. Compared with prewar years, the area in horticultural crops has declined 25.1 percent and the area in other crops is down 36.5 percent. During this period significant changes have occurred in the patterns of production. For example, both the area and production have increased significantly for wheat and barley and have declined for rye and oats.

There has been a rather sharp increase in yields of most crops in the past 30 years and for most yields are now considerably higher than in the United States. The higher yields—relative to those of the United States—are due partly to more uniform rainfall throughout the year in Belgium, perhaps even more to the relatively heavy use of fertilizers.

Compared with use of commercial fertilizer in the United States, Belgian fertilizer consumption per acre in 1968 was almost 2 times as great for nitrogen, nearly 2½ times as great for P_2O_5, and over 3 times as great for K_2O.

Some examples of average Belgian crop yields in 1968—in bushels per acre: Winter wheat, 66.2; spring wheat, 56.3; rye, 51.2; winter barley, 76.0; spring barley, 60.2; and corn, 72.0. Sugarbeets averaged 20.5 short tons per acre and potatoes, 254.2 hundredweight.

Livestock. Since 1950, the numbers of and meat from cattle, hogs, and poultry have increased substantially; sheep, lamb, goats, and horses have declined. See table on opposite page for output in 1968.

Belgian use of feedgrains and protein concentrates has increased sharply in the past few years. This increased consumption is due to both feeding of more livestock and more intensive feeding practices. Most of Belgium's livestock producers must buy a large part of their feed.

In 1967, expenditures for feed accounted for over 42 percent of all farm costs. Belgium must import a relatively large share of both feedgrains and protein concentrates. In recent years these imports have amounted to about two-thirds of Belgium's feedgrain needs, nearly all its oilcake and meal, and substantial quantities of its mill feeds and fishmeal. Of the oilcake meal that is produced domestically most is from imported oilseeds.

There has been a sharp increase in pork output during recent years. Favorable prices and good export opportunities have been primarily responsible for this development. Nearly all of the hogs are of the meat type and have a very impressive fat-lean ratio. Feeding and management practices are good.

Most of the cattle in Belgium are of the dual-purpose type. Very little grain is fed to them, but there is some feeding of oilseed cake and meal. Fodder roots, hay, and pasture are the main feeds. Cattle feeding as it is known in the United States is just beginning in Belgium. Recently there has been a considerable expansion in the production of veal. Practically all calves are kept in confinement from birth to slaughter.

Foreign trade. Belgian foreign trade statistics are available only in combination with those of Luxembourg. Although the two countries are small their agricultural imports during the past 3 years have averaged nearly $1.1 billion, about 18 percent of their total imports. On a per capita basis the Belgium-Luxembourg Economic Union is one of the world's top agricultural markets with a 1968 average of over $112 a person; the most important were livestock and livestock products, cereals, fruits, oilseeds, cotton, tobacco, tropical products, and feeds.

BLEU is an excellent market for U.S. farm products. Its agricultural imports from the United States increased quite steadily until 1966, when they reached a record $190.4 million (c.i.f. value), then declined. In 1968 they amounted to $135 million, the most important being grains—wheat, corn, grain sorghum—soybeans, fresh citrus and canned fruits, soybean meal, tobacco, and cotton.

As trade barriers between the Economic Community countries are being rapidly dismantled, an ever-increasing proportion of BLEU's agricultural imports come from other EC countries. This has hurt the BLEU market for U.S. feedgrains.

BLEU is not an important exporter of

agricultural products. These exports totaled about $722 million in 1968, about 65 percent as large as its farm imports. BLEU's main farm exports include dairy products, live hogs, pork, poultry meat, eggs, vegetables, plants, and bulbs.

PRINCIPAL BELGIAN CROPS, 1968

Crop	Area	Production
	1,000 acres	*1,000 metric tons*
Wheat	501	839
Rye	67	87
Barley	379	574
Oats	214	315
Other grain	38	58
Total grain	1,199	1,873
Potatoes	136	1,566
Sugarbeets	221	4,108
Fodder roots	85	3,303

BLEU FARM IMPORTS, 1968

Community group	Total	From United States
	Million dollars [1]	*Million dollars* [1]
Animals, products	321	5.9
Grains, preparations	232	54.2
Oilseed meals and feed materials	78	12.8
Vegetables, plants, bulbs	25	.5
Fruits, nuts, coffee, spices	138	4.8
Oilseeds, seeds, hops	60	32.1
Fats and oils	51	1.4
Canned fruits and vegetables	34	5.3
Other food products	96	1.1
Tobacco	36	10.5
Cotton	44	6.0
Other nonfood products	6	.2
Total	1,121	134.8

[1] C.i.f. converted from Belgian francs at 50 to US$1.

BELGIUM'S LIVESTOCK AND POULTRY, 1968

Animal	Number	Meat production [1 2]
	1,000 animals	*1,000 metric tons*
Cattle	2,610	235
Hogs	2,392	339
Sheep and goats	67	3.5
Agricultural horses	79	9
Poultry	[1] 24,850	90,797

[1] Estimated [2] Excludes farm slaughter except for poultry.

Information on this page and the next supplied by Office of U.S. Agricultural Attaché, Brussels.

Harvesting potatoes—one of Belgium's principal crops and a major item of the Belgian diet—often takes two tractors. Chain, right, leads to second tractor.

Country as a Whole—Geography, Economy, Diet

Belgium, with 11,776 square miles, is slightly larger than the State of Maryland. It has a population of 9,632,000—818 persons per square mile compared with 55 in the United States.

Of the five other European Community members Belgium outranks only Luxembourg in size, population, labor force, agricultural output, and agricultural trade. These two countries have their own customs union—the Belgium-Luxembourg Economic Union (BLEU). Luxembourg has 999 square miles and a population of 340,000.

Belgium lies farther north than the United States, has a temperate climate influenced by the Gulf Stream. Rainfall averages about 33 inches annually, distributed fairly uniformly throughout the year.

Primarily an industrial country, Belgium is largely dependent on imports of raw materials and exports of finished products for its economic well-being. Its gross national product per capita in 1967 was $2,034 compared with $1,918 in 1966, and $1,248 in 1960.

The contribution of each main sector of the economy to the country's gross national product in 1967 was: Agriculture, forestry, and fishing—4.8 percent; extractive industries—1.3 percent; manufacturing—29.5 percent; building and construction—7.1 percent; utilities—1.9 percent; transportation — 6.7 percent; trade, banking, insurance, and residential building—25.5 percent; services—22.1 percent; and miscellaneous—1.1 percent.

The per capita food supply available per day for consumption supplies about 3,070 calories, 91 grams of protein (51 grams from animal sources), and 143 grams of fat. Compared with the U.S. diet, the Belgian diet is more heavily weighted with starches and fats, has less meat, milk, and eggs.

Within the European Community Belgium has the highest per capita consumption of eggs and butter, ranks second in consumption of beef and veal and milk, third in pork consumption, and fourth in use of poultry meat.

On the average, expenditures for food in Belgium amount to about 25 percent of total private consumption expenditures, compared with about 17 percent in the United States.

U.S. Foods Top Bahamian Buying List

By NORRIS PRITCHARD
and NICK HAVAS

For millions of Americans, the Bahamas are a vacation land—a place to relax in the sun. For U.S. farmers and food manufacturers the Islands, only a few miles east of Florida, are a small but rapidly growing export market.

From 1963 to 1968, U.S. exports of food and other farm products to the Bahamas leaped from $9.2 million to $25.6 million. In 1963, the United States supplied only 34 percent of Bahamas' food imports, but by 1968, the U.S. share was 65 percent and rising. In the first 5 months of 1969, U.S. shipments were 16.8 percent higher than in the corresponding 1968 months.

The pattern of U.S. food exports, equal to about $140 per Bahamian in 1968, is so broad that it resembles a big supermarket shopping list. The United States also exports all the baby chicks and feed needed by the expanding Bahamian commercial egg and broiler farms. Also, U.S. equipment is used.

Above is the authors' summary of their June 1969 study "Food and Agricultural Export Prospects in the Commonwealth of the Bahamas." Dr. Pritchard is with the Foreign Trade and Development Division of the Economic Research Service and Mr. Havas is with the International Trade Fairs Division of the Foreign Agricultural Service. The complete study can be obtained by writing to either author at the U.S. Department of Agriculture, Washington, D.C., 20250.

Further rapid growth of U.S. exports to the Bahamas seems likely in the years ahead, at least to 1975 because of the Island's growing population and booming economy; transportation advantages enjoyed by U.S. exporters; the growing importance of U.S.-owned and -oriented companies in Bahamian supermarket, restaurant and hotel industries; the increasing exposure of Bahamians to American advertising; and the limited growth potential of most farms.

Economic development

Reliable statistics on the Bahamian economy are severely limited, but there is no doubt about its recent growth. Even a casual visitor can see evidence in modern housing, automobiles, television sets, supermarkets, and other signs of rising affluence. Only a few years ago, the Bahamas were a poor, relatively undeveloped country. Today, the typical Bahamian family income may exceed the average family income in all nations except the United States, Canada, and Sweden.

Bahamian food distributors report that their lowest paid employees receive $60 a week. Secretaries are paid about $100 weekly and skilled craftsmen reportedly earn $5 and more an hour. About one family in two has a television set, compared with only one in five in 1966. There is now an automobile for every four residents (about the same as the Swedish ratio).

The Islands' prosperity is largely due to the booming tourist industry and to the tremendous industrial expansion of the 1960's, especially in Freeport. Only 30,000 tourists visited the Bahamas in 1949. In 1968, there were nearly 1.1 million of whom 94 percent were Americans and Canadians. Bahamian officials predict 1.25 million visitors this year and 2 million in 1975.

The resident population of the Bahamas also is growing fast because of a high birth rate, a low death rate, and substantial net immigration. Official estimates indicate that the Islands' population doubled from 85,000 in 1953 to 170,000 in 1968. Over 80 percent of all Bahamians live in the Nassau and Freeport metropolitan areas.

Currently, the population growth rate is 3.0 to 3.5 percent a year. It could rise quickly if the authorities relaxed present restrictions on immigration enough to relieve serious labor shortages. The combined expected growth of the resident and tourist populations (resident-equivalent basis) is 4 percent or more a year.

More food purchases

Food expenditures, however, are likely to rise much more than 4 percent a year. Rising family incomes stimulate increased expenditures per capita, especially for higher quality and American-type convenience foods. An annual growth in the total Bahamian food bill of about 8 per-

Opposite page, tourists lunch at Paradise Beach, Nassau. Left, Nassau's Bay Street; at far end is one of the tourist hotels that are big users of U.S. food. Below, picturesque but decidedly minor aspect of Bahamian food marketing. The out-islander at right is trying to sell her fresh produce from a Nassau wharf.

cent may seem high and, at the same time, conservative. The estimate is well below the apparent growth rate of the recent past. It is also below estimates of major Bahamian wholesalers. The U.S. food industry has excellent chances for capturing most of the growth in food purchases in the Bahamas.

One reason is the increasing strength of American-owned and -oriented firms in food distribution in the Bahamas. About a dozen wholesalers and some 200 retailers are operating in the Islands. As in most countries, small food stores are being replaced by modern supermarkets and most food sales are now made by about 25 small self-service stores and 25 supermarkets.

Twelve of the supermarkets are operated by subsidiaries of two large U.S. corporate food chains. They have several more supermarkets under construction and planned. A Bahamian firm operating two supermarkets and a wholesaler are members of an American retailer-cooperative. These fast-growing retailers receive upwards of 70 percent of their merchandise directly from their Florida warehouses.

American food sources

Additional American food products are purchased from Bahamian wholesalers who are exclusive agents of major U.S. and foreign food manufacturers. In short, the growing segment of Bahamian food retailing now depends on American sources for 80 percent, or more, of its needs. As the supermarkets' share of the Bahamian national food bill expands, the U.S. share is also likely to rise.

Careful examination of the merchandise in several Bahamian supermarkets revealed only a small number of items from non-U.S. sources. The products include flour, evaporated milk, butter, cheese, jams and similar products, cookies and similar bakery items, some canned vegetables and soups, some prepared breakfast cereals, and canned meats. In some cases, the products came from Canadian plants of U.S. companies and British Commonwealth tariff preferences were a factor. For most non-U.S. merchandise lower prices of the products (butter, for example) or strong local preferences (such as for British cookies and preserves) were more important than the tariff preference in determining store purchasing and inventory policies. Price, product quality, and local consumer preferences, of course, influence sales.

The Bahamian tourist industry naturally must meet the demands of its customers for familiar—meaning American—food. Although the hotels and restaurants purchase some of their needs from local wholesalers, they also are heavy purchasers through wholesalers in Miami and New York. Bahamian wholesalers indicated that these U.S. firms are strong competitors for the hotel and restaurant trade. Some of these establishments are units of large American chains and import, like the supermarkets, directly from their Florida warehouses.

One well-known U.S. restaurant chain with several outlets in Nassau and Freeport, and more planned, flies in more than a half-ton of fresh beef from Miami each day.

More and more Bahamians are being exposed to American food product advertising. The increasing numbers of television viewers in the Islands tune into Florida stations. There are no stations in Nassau or Freeport. The magazine racks in Bahamian supermarkets, like the stores themselves, are almost completely American in content. Particularly evident are the women's and family journals that carry many pages of American food product advertising. According to leading Bahamian food retailers and wholesalers, this advertising exposure is a major advantage for American goods.

Container service

Another U.S. advantage comes from the comparatively new "fishy back" service from Florida ports to the growing Freeport market. The roll-on roll-off trailer ships make about 15 round trips a week—as dependable as the U.S. chains' deliveries to their Florida outlets. Moreover, compared with shipments from Canada and Europe, transportation charges of about $20 a ton are much lower and delivery periods are only a third to a sixth as long. When the trailer service is extended to Nassau, as expected in the near future, U.S. firms will gain further transportation advantages.

Finally, the growth of Bahamian agriculture in the years ahead seems unlikely to equal the growth in food consumption. As a result, the domestic industry's share of about 22 percent of the food supply is likely to fall. Some notable exceptions are sugar, chicken meat, and eggs. The Islands are an exporter of sugar and under the protection of high tariffs they soon may be self-sufficient in broilers and eggs.

Although the Bahamas continue to maintain strong political, social, and historical ties to Great Britain, the economy of the Islands is increasingly oriented to the United States. In short, prospects for further rapid expansion of exports of a broad range of food products to the Bahamas appear to be excellent.

U.S. Cotton's Potential in Four Asian Markets

Asian markets for American cotton have recently come under careful scrutiny by U.S. textile specialists (see *Foreign Agriculture*, Sept. 8, 1969) and also by the Maid of Cotton promotion team sent this summer by the National Cotton Council. While MOC Cathy Muirhead gained publicity mileage for cotton with personal appearances throughout South Korea, Thailand, Hong Kong, India, and other parts of Asia, an analysis was made of these four countries as markets for U.S. cotton. The following article is based on that report.

Fashion consciousness, consumer buying power, textile mill efficiency, fiber competition, and promotional media impact—all important considerations in selling cotton—vary widely among the four countries studied. One general conclusion was drawn, however, that an aggressive consumer promotion program would likely bring good results for cotton in each.

Fashion in Korea

The relatively unsophisticated textile industry of Korea is putting out more and more synthetics and blends for the home market. A major problem is getting Korean mills to produce original fabrics, according to Korean designer Nora Noh. Mills tend now to copy Japanese or Hong Kong designs. Miss Noh, who designed some of the fabrics and garments for the MOC fashion shows in Seoul, introduced ready-to-wear clothes for women in Korea.

Newspaper people, fashion designer, businessmen, and the Spinners and Weavers Association of Korea (SWAK) recommended a strong promotion campaign for cotton to keep its competitive edge in Korea. Some U.S. assistance would be welcome in the advertising and in continuing favorable credit arrangements for purchasing raw cotton from the United States.

Textile promotion of any kind in Korea is limited, since daily national newspapers —usually 4 pages, sometimes 8—carry little display advertising. Radio and television usually advertise only package goods. At present Sunday newspaper supplements and special magazines present the best opportunities for cotton fashion layouts and household textile advertising.

Since Koreans still buy most of their clothing from tailors or dressmakers, advertising of cotton items linked to labels or specific stores would have limited value at this time. There are no chain stores selling soft goods and only a few department stores, which are really a great multiplicity of small shops.

Hong Kong is almost wholly a price market for fibers with production of textiles oriented towards exports. Textile mills use primarily the shorter, less expensive cottons. Most textiles used in Hong Kong for domestic purposes are cheap textiles imported primarily from Mainland China. However, the limited quantity of high quality cotton fabrics for the home market are imported from as far away as Italy. A growing trend toward higher quality fabrics will likely put better cottons into the consumer market soon, however.

Manmades in Hong Kong

Japan and other countries are making a big push to sell manmade fibers to Hong Kong spinners, who by the end of 1969 are expected to have some 20 to 25 percent of their spindles on synthetics.

The most varied cotton market observed was Thailand, where fiber use varies from high fashion in Bangkok to handwoven fabrics of the hill people. Competition from Japanese synthetics presents a real threat to continued cotton dominance unless prompt action is taken.

The ready-made garment industry in Thailand appears to be much farther along than in Korea and still developing. Clothing is generally sold in small shops; there are no national soft good chains or major department stores. This would tend to point toward a generic promotion approach for cotton until there is further development of branding and merchandising practices.

Up to this time cotton has heavily dominated fabric production in India, since climate, custom, and cost all point to it as the ideal fiber. Synthetics have begun to move on two fronts, however. In major cities no-iron finishes have appeal because of soaring laundering costs. Durable-press, manmade fabrics also have prestige appeal with villagers who occasionally shop in large cities.

Indian city campaigns

Currently Indian mills are so heavily oriented to exports that an effort may be needed to interest them in a domestic program. The primary target for any cotton promotion would appear to be the middle class in the cities. Newspapers and magazines are the local media in which to work, since there is very little television, and radio presents complications of language. Even a printed campaign would require adjustments for about 14 major languages if carried out on a national scale.

Promotion probably would be most successful in New Delhi, Bombay, and Calcutta where meaningful impact could be made and from which influence radiates most strongly.

Right, Maid of Cotton Cathy Muirhead presented to Her Royal Highness Queen Rombhai in Bangkok June 13. Below, Cathy with host of a national television broadcast show in Thailand.

CROPS AND MARKETS SHORTS

Weekly Report on Rotterdam Grain Prices

Current prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago, are as follows:

Item	Sept. 9	Change from previous week	A year ago
Wheat:	*Dol. per bu.*	*Cents per bu.*	*Dol. per bu.*
Canadian No. 2 Manitoba	1.90	+5	2.02
USSR SKS-14	1.76	+3	(1)
Australian Prime Hard	1.80	+1	(1)
U.S. No. 2 Dark Northern Spring:			
14 percent	1.81	+4	1.96
15 percent	1.90	+5	2.04
U.S. No. 2 Hard Winter:			
13.5 percent	1.78	+1	1.89
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	1.57	+1	1.75
Feedgrains:			
U.S. No. 3 Yellow corn	1.40	+1	1.20
Argentine Plate corn	1.73	0	1.43
U.S. No. 2 sorghum	1.42	−2	1.20
Argentine-Granifero	1.49	0	1.21
Soybeans:			
U.S. No. 2 Yellow soybeans	2.75	+4	2.86

[1] Not quoted.

Note: All quoted c.i.f. Rotterdam for 30- to 60-day delivery.

Sugar Production in West Malaysia

Sugar, which at one time was an important plantation crop in West Malaysia before it was pushed out by rubber, is getting a second chance. The major development of the Malaysian sugar industry will be made by four companies of both Malaysian and foreign ownership. They will establish cane plantations, mills, and sugar refineries. Malaysia already has two refineries which have been processing imported raw sugar.

The new sugarcane areas will be in West Malaysia where soil and weather conditions are best suited for commercial operations. The State governments in these areas have set aside 110,000 to 135,000 acres each for the cultivation of sugarcane.

With practically no domestic production, West Malaysia's imports of refined and raw sugar averaged approximately 238,000 long tons during the 5-year period 1964-68. As the new Malaysian sugar industry progresses, the sugar trade will probably be substantially reduced.

Indian Sugarcane Crop Rises

The final estimate of the Indian sugarcane crop for the 1968-69 (July-June) year is 117.6 million metric tons, produced on 2,460,700 hectares (6.1 million acres). This was an increase from the preceding season's output of 95.5 million tons of cane grown on 2,046,500 hectares (5.1 million acres). Increased cane production was reported by all producing states except Tamil Nadu (Madras) and Rajasthan where inadequate rainfall affected the crop. Yields of cane were also adversely affected by pest infestation in parts of Uttar Pradesh and Haryana.

The increased cane production of 1968-69 resulted in a near-record production of centrifugal sugar. Open market prices have recently been at their lowest level since partial decontrol in 1967-68. Noncentrifugal sugar prices have also declined substantially. Rains in most producing areas have been normal, and a "bumper" crop is in prospect for 1969-70.

Mexican Honey Crop Forecast

Mexico is reportedly producing another large honey crop in 1969. Output is expected to be about 79.4 million pounds in the current year, just under the 80.4 million pounds produced in 1968. Domestic consumption is likely to increase only slightly in 1969, leaving an exportable surplus of over 65 million pounds for the year.

Beginning stocks in 1969 were an estimated 4.3 million pounds, about 12 percent below beginning 1968 stocks. The current f.o.b. price is 10.6 cents per pound for Yucatán light amber, Progreso. During 1965-68, the price averaged 10.7 cents.

The present number of bee colonies is 1.5 million, with 700,000 of modern type. Production in the current year is expected to be less in the States of Yucatán, Michoacán, and Jalisco because of lower producer prices, but the crop should be larger in the State of Chiapas.

West Germany was again the primary destination in 1968 for Mexico's honey exports, taking 58.6 percent of the total. Other important export markets in order of importance were the United States, the United Kingdom, Switzerland, and Italy.

Japan Increases Pork Import Quotas

To prevent a further rise in local pork prices, the Japanese Ministry of Agriculture and Forestry has announced an increase of an additional 25,000 metric tons in the pork import quota. The Ministry has twice authorized emergency pork imports this year to hold down rising pork prices—15,000 metric tons in April and 10,000 metric tons in June. These authorizations, totaling 25,000 metric tons, proved insufficient to curb the upward trend in pork prices and the Ministry now considers more imports to be necessary.

U.S. pork exports to Japan have increased dramatically this year as a result of higher prices in Japan and the increased import quotas. Compared to the year-earlier level, U.S. pork exports to Japan totaled 31.8 million pounds for the first 7 months of this year, up from only 890,000 pounds. The value of these exports has increased from only $132,000 to $13.8 million.

U.S. Trade in Livestock and Meat

During July practically all major categories of U.S. exports and imports of livestock and meat products were above the

year-earlier level. In the first half of this year the value of U.S. exports outpaced the growth in imports, rising 25.6 percent above the year-earlier level, while the value of U.S. imports rose only 5.5 percent.

U.S. IMPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	July		Jan.-July	
	1968	1969	1968	1969
Red meats:	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Beef and veal:				
Fresh and frozen:				
Bone-in beef:				
Frozen	774	835	5,538	4,217
Fresh and chilled	1,638	563	9,949	6,163
Boneless beef	78,379	100,040	472,066	537,986
Cuts (prepared)	187	88	848	972
Veal	1,588	1,138	12,804	14,832
Canned beef:				
Corned	9,309	8,485	52,320	49,374
Other, incl. sausage	781	2,036	9,061	10,011
Prepared and preserved	11,948	7,081	41,993	37,996
Total beef and veal [1]	104,599	120,263	604,576	661,549
Pork:				
Fresh and frozen	3,957	3,459	31,351	27,713
Canned:				
Hams and shoulders	19,193	21,674	134,816	142,982
Other	2,927	3,119	24,338	16,992
Cured:				
Hams and shoulders	754	295	1,446	920
Other	448	363	2,575	2,212
Sausage	164	346	1,361	2,011
Total pork [1]	27,442	29,255	195,889	192,828
Mutton and goat	4,057	4,573	43,051	28,604
Lamb	1,849	4,361	9,536	23,871
Other sausage	745	809	4,273	4,918
Other meats	952	1,075	6,615	7,042
Total red meats [1]	139,650	160,339	863,947	918,810
Variety meats	225	384	2,142	2,431
Meat extract	65	70	444	544
Wool (clean basis):				
Dutiable	11,292	5,064	85,873	57,954
Duty-free	14,005	10,793	71,601	53,859
Total wool [1]	25,296	15,855	157,472	111,812
Animal hair	451	221	4,604	4,281
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Hides and skins:				
Cattle	62	32	274	175
Calf	34	78	232	235
Kip	29	50	143	203
Buffalo	61	59	312	290
Sheep and lamb	3,469	2,121	23,202	16,118
Goat and kid	352	359	3,592	3,221
Horse	19	19	171	129
Pig	134	63	456	434
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle [2]	37,681	36,607	562,078	521,609
Sheep	22	35	1,141	1,669
Hogs	2,341	1,125	15,300	5,748
Horses, asses, mules, and burros	299	315	1,896	1,922

[1] May not add due to rounding. [2] Includes cattle for breeding.
U.S. Department of Commerce, Bureau of the Census.

Compared with last year's level, total red meat imports were up almost 15 percent in July, raising the January-July total to 918.8 million pounds from 863.9 million pounds. Increases in July 1969 imports of boneless beef, lamb, and canned hams and shoulders accounted for most of the rise. Imports of wool and animal hair and most categories of hides and skins were substantially below year-earlier levels for the period January-July 1969. Also, for the same period, cattle imports were down 7.2 percent and hog imports declined from 15,300 head to only 5,748 head.

For the first 7 months of this year, U.S. exports of total red meats were 119.3 million pounds—73.2 million pounds above the year-earlier level. Pork exports, primarily to Canada and Japan, accounted for most of this increase, rising from 19.9 million pounds to 91.7 million pounds. Of the animal fats, lard exports totaled 131.5 million pounds during January-July 1969, 35.4 percent above the last year's level, but exports of inedible tallow and greases were down 11.5 percent.

Variety meat exports in July were almost double the year-earlier level, bringing the January-July total up to 131.2 million pounds from 113.5 million pounds during the same period last year. All categories of hide and skin exports, except calf and horse, were above the year-earlier level during January-July 1969. January-July exports of hogs, shipped primarily to Mexico, were the only category of livestock exports which were above the previous year's level.

U.S. EXPORTS OF SELECTED LIVESTOCK PRODUCTS

Commodity	July		Jan.-July	
	1968	1969	1968	1969
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Animal fats:				
Lard	10,368	11,054	97,134	131,490
Tallow and greases:				
Inedible	166,639	139,221	1,286,328	1,138,281
Edible	874	1,191	5,242	8,306
Meats:				
Beef and veal	2,187	2,102	15,721	15,373
Pork	4,105	7,506	19,926	91,728
Lamb and mutton	64	127	1,067	1,012
Sausages:				
Canned	124	98	858	637
Except canned	253	259	1,654	2,353
Meat specialties:				
Canned	84	184	819	825
Frozen	135	205	1,043	1,628
Other canned	536	732	4,964	5,690
Total red meats [1]	7,490	11,213	46,047	119,251
Variety meats	13,731	25,211	113,490	131,203
Sausage casings:				
Hog	403	584	3,565	4,352
Other natural	152	313	1,673	2,101
Mohair	885	1,084	6,156	8,083
Hides and skins:				
Cattle parts	1,193	2,683	18,083	20,322
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle	818	1,103	6,783	8,235
Calf	157	95	1,333	836
Kip	33	36	197	277
Sheep and lamb	551	415	2,110	2,202
Horse	2	3	44	34
Goat and kid	10	35	130	212
Livestock:	*Number*	*Number*	*Number*	*Number*
Cattle and calves	2,544	1,980	20,559	20,374
Sheep, lambs, and goats	12,632	10,605	88,205	79,333
Hogs	1,226	724	6,806	10,799
Horses, asses, mules, and burros	1,032	1,100	6,635	6,519

[1] May not add due to rounding.
U.S. Department of Commerce, Bureau of the Census.

U.S. Flue-Cured, Burley Exports

Exports of U.S. unmanufactured flue-cured tobacco in fiscal year 1969 were 417.2 million pounds, down from the

427.4 million pounds shipped in fiscal 1968. Lower shipments to the major markets of the United Kingdom, Japan, and the Netherlands were partially offset by increased quantities to West Germany, and Australia.

Burley exports increased in fiscal year 1969 reaching a total of 47.7 million pounds, compared with 38.0 million in the previous year. Increased quantities went mostly to West Germany, Thailand, and Switzerland.

U.S. EXPORTS OF FLUE-CURED AND BURLEY TOBACCO[1]
[Export weight]

Destination	Flue-cured		Burley	
	1968	1969 [2]	1968	1969 [2]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*
United Kingdom	120.9	96.6	0.1	(3)
Germany, West	67.5	90.0	7.2	11.4
Japan	35.0	31.1	—	(3)
Netherlands	27.1	23.5	2.3	2.3
Thailand	17.7	20.7	1.9	5.8
Australia	10.1	14.8	.8	.6
Belgium-Luxembourg	14.2	13.5	1.9	2.0
Switzerland	9.2	11.8	2.0	4.2
Denmark	11.9	11.6	2.8	2.9
Ireland	10.7	11.1	(3)	—
Vietnam, South	9.9	11.5	.1	—
Sweden	8.4	6.9	3.1	3.2
Malaysia	6.4	6.9	—	—
Taiwan	12.1	6.9	—	.3
Philippines	5.6	5.9	1.9	2.9
Italy	4.1	4.7	3.2	2.5
Spain	3.0	4.2	—	.2
New Zealand	4.3	3.7	.2	(3)
France	3.0	3.5	.6	1.0
Finland	3.5	3.6	.9	1.1
Hong Kong	4.5	3.4	1.4	1.1
Norway	7.2	3.2	.8	.6
Singapore	2.5	2.3	—	—
Portugal	1.9	2.2	3.5	2.1
Jamaica	1.6	2.2	—	—
Other	25.1	21.4	3.3	3.5
Total	427.4	417.2	38.0	47.7
Value, *Million dollars*	405.8	409.3	33.6	45.4

[1] Fiscal year. [2] Preliminary; subject to revision. [3] Less than 50,000 pounds. Bureau of the Census.

U.S. 1968-69 Tobacco Imports Decline

U.S. imports of unmanufactured tobacco for consumption during fiscal year 1969 declined to 210.7 million pounds from 219.0 million pounds in fiscal year 1968. The declared value of $130.1 million for fiscal year 1969 represented a drop of about 8 percent from $141.7 million in 1968.

Imports of cigarette leaf consisting primarily of oriental tobacco from Turkey and Greece declined about 9 percent in fiscal year 1969 with most of the drop caused by lower imports from Greece. Cigarette leaf (flue and burley) fell slightly with a significant shift in origin of leaf from Mexico to the Republic of Korea.

Cigar-filler tobacco imported primarily from the Dominican Republic, Honduras, Mexico, and Brazil fell slightly but cigar-wrapper leaf mainly from Honduras and Cameroon increased slightly during fiscal year 1969.

Scrap cigar-filler imports represented the second largest category of unmanufactured tobacco imports, reaching 51.8 million pounds in fiscal year 1969 compared with 46.3 million pounds in the previous year, an increase of about 12 percent. Most of this tobacco is imported from the Philippines, the Dominican Republic, Colombia, Brazil, and Turkey. Stems, imported mainly from the Republic of Korea and Canada, reached 2 million pounds during fiscal year 1969—a substantial increase over the previous year's level.

U.S. IMPORTS OF UNMANUFACTURED TOBACCO[1]

Kind and origin	1968 [2]	1969 [2]
	1,000 pounds	*1,000 pounds*
Cigarette leaf, flue & burley:		
Korea, Republic of	73	1,816
Mexico	2,021	619
Mozambique	0	554
Brazil	0	192
Other	1,563	218
Total	3,657	3,339
Cigarette leaf, other:		
Turkey	94,900	95,584
Greece	44,218	30,850
Yugoslavia	15,426	14,480
Lebanon	2,544	3,100
Other	5,076	3,456
Total	162,164	147,470
Cigar filler, stemmed and unstemmed:		
Honduras	628	1,001
Mexico	777	901
Brazil	847	733
Dominican Republic	1,086	731
Other	2,388	1,793
Total	5,726	5,159
Cigar wrapper (incl. mixed filler and wrapper):		
Honduras	99	218
Cameroon	138	340
Nicaragua	38	123
Other	249	154
Total	524	835
Scrap:		
Philippines	18,314	22,461
Turkey	5,418	6,909
Dominican Republic	5,423	5,874
Colombia	3,872	3,951
Brazil	3,762	3,863
Other	9,554	8,788
Total	46,343	51,846
Stems:		
Korea, Republic of	0	661
Canada	0	600
Other	623	745
Total	623	2,006
Grand total	219,037	210,715
Value, *1,000 dollars*	141,696	130,079

[1] Includes withdrawals from bond for consumption and release from customs immediately upon arrival. [2] Fiscal year. Bureau of the Census.

Germany Sets Flower Import Tender

West Germany has announced a tender allowing imports of fresh cut flowers other than tulips, hyacinths, narcissi, orchids, and anthuria from the United States and certain other countries outside the European Community.

Applications for import licenses will be accepted by the German Government until an undisclosed value limit is reached but not later than December 30, 1969. Issued licenses will be valid through December 31, 1969, or 3 days after publication in the official journal "Bundesanzeiger" that the value limit has been attained. The first day of customs clearance is October 1. Country of origin and country of purchase must be the same and EC quality standards and West German phytosanitary requirements must be observed.

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C. 20250

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Foreign Agriculture

Israel Expands Strawberry Market

Strawberries have been produced on 1- and 2-acre lots by small family farmers in Israel for the past 20 years. However, production was barely enough for domestic consumption until 1963, when high-yielding varieties were introduced from the United States and other countries. Production increased from 970 metric tons in 1964 to an estimated 2,180 metric tons in 1969 and domestic consumption rose from 878 metric tons in 1964 to 1,450 metric tons in 1969.

Significant developments have taken place in the market expansion of Israeli strawberries to Western Europe. The Ministry of Agriculture has published plans to export over 1,000 metric tons of winter and early spring strawberries to Europe by 1971.

Most of the strawberries are produced on the sandy loam soil of the coastal sector north of Tel Aviv and in the Rehovot area. An effort is being made to open additional production acreage along the Gaza Strip, since the soil is well suited for this culture, and there is a large supply of labor. The average yields have increased from 3,000 pounds per acre in 1963 to 10,350 pounds per acre in 1969. When the production season is over, the strawberry plants are plowed under, the soil fumigated, and a new crop of strawberries is transplanted on the same fields the next season. The Ministry of Agriculture provides a subsidy payment to farmers who have 3,500 pounds of strawberries per acre available for export. Farmer income from strawberries in recent months has run as follows:

	Dollars per metric ton
December 1968	677
January 1969	750
February 1969	700
March 1969	462
April 1969	443
May 1969	390
June 1969	253

The 1,000 metric tons of strawberries that Israel expects to export to Europe in 1971 is equal to the amount of United States exports of strawberries to Europe in 1968. An additional increase in sales by Israel to Europe is likely to result in further decreases in prices, especially if competition increases. A recently announced decrease in air freight charges for agricultural products to Europe from Israel, however, will have a cushioning effect on the potentially lower prices in Israel's major export markets for strawberries, namely France, Western Germany, Switzerland, and the United Kingdom.

Japanese Cheese Imports Increase

Japan imported 13,128 metric tons of natural cheese in the first half of 1969, compared with 11,144 metric tons in the same period a year earlier. The principal suppliers were Australia, Norway, New Zealand, and the Netherlands. Imports from the United States totaled 46 tons.

Cheese consumption, practically all in the form of processed cheese, is increasing steadily in Japan and is expected to reach 40,000 to 45,000 tons in 1969. Virtually all of the imported and domestically produced natural cheese in Japan is used in the production of processed cheese. Total imports of natural cheese in 1969 are expected to reach about 30,000 tons compared with 25,000 tons last year. Domestic production of natural cheese is limited to about 10,000 tons annually.

Japan's imports of processed cheese in the first half of 1969 were 72 metric tons compared with 66 tons in the same period of 1968. Imports from the United States accounted for 63 tons of the total, most of which was consumed in hotels and restaurants.

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